

DRAFT MINUTES

GOA WORK GROUP Anchorage, Alaska November 25-26, 2002

The committee convened at 10:10 am. Co-Chairs Stephanie Madsen, Stosh Anderson, Dan Falvey, Dorothy Childers, Joe Childers, and Julie Bonney were in attendance. Beth Stewart was absent. Staff included Jane DiCosimo, Glenn Merrill, Phil Smith, Kate Troll, and Marcus Hartley from Northern Economics Inc. Approximately 8 members of the public attended all or part of the 2-day meeting. The committee approved the October 2002 minutes without objection after making minor revisions.

The committee approved a revised agenda. The rockfish bycatch data report and Northern Economics data report were not available. A briefing on the final scoping report was added to the agenda. Glenn Merrill provided a brief summary of the final scoping report on GOA groundfish rationalization. The public scoping report summarized comments received at eight public hearings and written comments received through November 15, 2002. Approximately 113 individuals participated in the public scoping hearings and 17 written comments were submitted. Glenn identified that one issue not incorporated into the current suite of elements and options was the issue of a fair start for all gear types. This issue was raised during the Sand Point, King Cove, and Cordova hearings.

Gregg Williams provided the IPHC response to the Council's request for additional information on halibut bycatch issues (Appendix 1). The committee inquired whether IPHC staff would respond to a proposal to allow trawl vessels to retain halibut caught as trawl bycatch under a rationalization program. Gregg reported that current issues before the Commission may preclude staff response.

Kate Troll reported that ADFG is conducting internal discussions regarding the Council requests for a review of potential complementary State action. She reported that a discussion paper may be presented to the Council at its February meeting.

The committee reviewed submitted proposals and took public testimony to address catcher/processor elements and options. The committee modified the draft elements and options to incorporate the new proposals, public testimony, and proposed edits by committee members. The elements and options to be recommended to the Council at its December meeting are listed in Appendix 2. More detail on the committee's deliberations on the final draft is included as Appendix 3.

- (1) The committee recognizes that the Council does not have sufficient time allocated at this meeting to receive the scoping report, committee report, staff review of the broad range of elements and options, and Advisory Panel and public recommendations to recommend the final suite of alternatives, elements and options for analysis. Therefore, the committee recommends that the Council take the staff reports at this meeting but defer action until its February 2003 meeting. The committee recommends that the Council request that staff prepare a discussion paper on the committee's draft list of issues for a more detailed review and action at that time. This will also offer additional public review of the committee recommendations, which will be distributed at this meeting.

The discussion will be qualitative in nature and highlight the following issues:

- (a) elements and options that may be difficult or time-consuming to analyze due to data limitations;
 - (b) elements and options that may provide limited insight or flexibility relative to the work required to analyze the particular option or a similar option;
 - (c) elements and options supported by the body of scoping comments;
 - (d) administrative requirements and/or outstanding legal concerns with the community elements and options;
 - (e) elements and options that need further clarification before initial analysis could commence, and
 - (f) ways to streamline the elements and option to reduce workload and/or better illuminate the decision points.
- (2) The committee recommends that the Council formally request a legal discussion from NOAA General Counsel of Community Territorial Use Rights In Fisheries (TURFs) and other potential legal problems that could affect the ability to adopt a regionalization program in the GOA from NOAA General Counsel. This legal guidance could be provided in the staff discussion paper requested for February or delivered separately.
- (3) The committee recommends that the Council direct staff to prepare a discussion paper to describe processes currently underway to address bycatch of salmon, crab and herring and other forage fish species (including FMP amendments and PSEIS options for crab bycatch). The paper should: (1) provide timelines for those studies and how they relate to the GOA rationalization analytical timeline; and (2) describe fishery, survey, and habitat data sources that will be used. Based on the recommendations in the paper, the Council would determine if: (1) existing processes are sufficient or if some measures need to be more closely linked to rationalization decisions, and (2) if other or additional management approaches are appropriate to include in a rationalized fishery in a trailing amendment.

The committee discussed whether it might be able to meet prior to the February Council meeting to review the proposed discussions paper on the elements and options, but was not able to clarify whether a meeting was needed and the possible timing of the meeting. The committee requested guidance from the Council on the need for it to continue to meet.

The committee also adopted a modified index to help guide the public to the elements and options.

The meeting adjourned at 5:00 pm.

Issue 2: Eligibility to receive catch history

On Page 4, Qualifying year history, was modified so that it was more consistent with the LLP alternative.

On Page 4, Eligibility to receive catch history

The Committee adopted motions that sought to maintain parity in the catch history between the CV and C/P fleet. Basing catch on retained catch may affect the C/P catch history. Parity could be achieved by including C/P meal in the QS allocation calculation.

Committee modified the lease holding requirements to consolidate these options and alternatives.

Options to base QS allocation on the LLP would not provide a means to allocate to the person who has been vested in the fishery. Tying the QS allocation to a vessel owner with a federal fishery permit (FFP) and an option that requires only legal landing regardless of whether they held a FFP. This would help provide contrast and assess the possible amount of harvests by vessels that do not possess an FFP.

Options to limit the ability of CDQ groups to hold QS was modified , and was added to the section on transferability of the QS (Issue 3).

Trawl sablefish was added as a bycatch species, though it is targeted as a “top off” species, it is effectively managed as a bycatch species.

P. 7, the committee removed option to rationalize halibut PSC only, since it would not effectively manage the fishery. It was perceived that this could create a “race for value” and produce inequities between the CV and C/P sector. The concern is that this would preclude the ability for controls on the shift of QS between the sectors and not necessarily slow down the fishery.

The committee moved sections on pot and hook and line gear designations section on p.7 to address the issue under transferability of QS.

Vertical integration and CP caps on page 7 were moved to the section addressing caps.

The committee examined the possibility of additional options that would limit the sale of CV shares by the C/P sector and transferability between these sectors to address concerns about shifts in allocation and the possible effects of these shifts on the economic stability in the fishery. The committee also included options that would permit a more free exchange of QS between the sectors to address some of the goals of rationalization.

The committee also reviewed and added a 3 year sunset provision on page 7 to review the potential effects of allowing C/Ps to lease or purchase CV shares. There would also be a sunset provision on the first right of refusal for CVs for any C/P shares.

CV processed not harvested on a C/P

CV not owned or processed on a C/P

CV first right of refusal for C/P shares being sold.

Page 8, IFQ leasing section.

Committee looked at 5 options that would modify the ability to hold an IFQ lease.

No leasing CV, no leasing of C/P, leasing of CV to eligible recipients, leasing of C/P to eligible recipients, sunset provisions to leasing provisions. This was felt to cover the range of potential leasing

alternatives for IFQ leasing. The committee reviewed the possibility of limiting QS leasing but this was felt to be too difficult to effectively restrict.

P. 8, ownership caps.

The committee modified the ownership caps to reflect the possible ranges of restrictions that might be appropriate since in some fisheries very few vessels harvest most of the fish and a highly restrictive range might disadvantage existing QS holders. 75, 85, and 95 percentage range was chosen.

Committee added that initial issuees should receive a grandfather provision to exempt them from owner on board provisions but only on their initially issued QS.

Also the committee considered a no owner onboard provision for the C/P sector and noted that owner onboard provisions may be considered. Committee requested that the potential for different ownership standards on different sectors.

Committee discussed but did not resolve the provision to allow exemptions to the owner onboard provisions for elderly QS holders.

Committee modified the retention requirements to include Atka Mackerel and sablefish.

Committee noted that if there is an open access component of a fishery than there would not be an overage provision since those vessels can participate in the fishery.

Limited Processing

Committee added an option that would limit the processing by C/Ps to those species that are fully exploited or targeted by the shoreside sector. The committee added a suboption that exempted bycatch amounts of fish harvested as bycatch during the flatfish fishery. The committee expressed concern about the potential shifts in landings to the C/P sector and the effects that might result to the shoreside sector.

Bycatch

The committee removed the option that would have modified the allocation of Atka mackerel as a target species since there was no ability to ensure that Atka mackerel might one day be a target species and that issue could be addressed in the future.

The committee removed a provision that would allocate special shares to trawl caught halibut.

Committee considered a provision that would allow trawl vessels to hold QS and use that QS to harvest halibut harvested during the trawl fishery. The committee discussed the potential difficulties in using trawl gear to allow trawl vessels to purchase existing IFQ and use that to retain bycatch up until the bycatch cap is reached. The motion was withdrawn and not fully considered.

The committee recommended that the staff prepare a discussion paper that would review the potential implications for salmon, herring, forage, and crab bycatch and management. The discussion would include: (see Dorothy's notes). Two committee members objected to additional conservation measures separate from rationalization would slow this process.

Underutilized Species p. 14

Committee clarified who may participate in underutilized species. The committee noted that vessels and entity needed to be clarified. The committee incorporated comments that would clarify how underutilized fisheries would be allocated to a QS program.

Element 8 Skipper/Crew second generation

C/P does not file a state fish ticket and noted some potential difficulties this could cause for assessing QS. Committee modified the eligibility provisions to note that other verifiable sources may be appropriate. A trailing amendment noted in suboption 2, will clarify these further elements. The committee added a provision that would not allocate any percentage of the harvest to skipper and crew.

The committee discussed that regionalization for the Western Gulf could be constructed in several different ways. One suggestion is to establish two lines between part of 620 and 170 degrees to establish a Western Gulf regional zone that would cap the amount of harvests that could be delivered outside of that area. A second would establish a 620 line only, a third would establish a 170 degree line only. The committee noted that this issue was not fully developed.

The committee added additional qualifying years to define the regional landing requirements. The committee also clarified restructuring this section to provide additional clarity and ease of reading.

CIFTs

p. 19, committee deleted a suboption that would restrict CIFT to unallocated TAC in underutilized fisheries. It was felt that this would effectively make CIFTs economically impotent and unworkable.

P. 19, committee added an option that would provide for a separate C/P based CIFT, and a separate CIFT for the SEO region if that region were rationalized at some point in the future. Debate ensued on creating a program for a fishery region that is not slated for rationalization, it was not included.

Committee discussed the designation of the CIFT and who would be allowed to participate on the CIFT board. The committee clarified the possible role that processors may have on the CIFT, no modifications made. Committee sought some clarity on how a harvester could be defined and noted that a harvester could be defined as a QS holder in the GOA rationalization program.

Committee struck a provision that would eliminate the C/P sector from the CIFT allocation.

CFQs

Committee modified so that eligible community would be defined as a community that is within 10 miles of GOA coast. The committee was concerned that eliminating this option would remove Chignik Lake or Chignik Lagoon from consideration.

The committee deleted suboptions that would allocate QS based on increased value and to exempt CP shares.

The committee noted that it continues to desire feedback from NOAA GC on the legal issues that could affect the ability to allocate to a TURF.

Habitat

The committee noted that the habitat issues would be addressed in the discussion of PSC and bycatch management and in the discussion paper being developed by the Council.

Review and Evaluation

The committee edited the Review and Evaluation Element for clarity.

Sideboards

The committee added an option that participants in the GOA rationalized fisheries would be limited to their historical participation in the BSAI groundfish fisheries. Public testimony noted that separate efforts to accomplish rationalization in the BSAI fishery could alter the catch history and QS allocations.

Alternative 3, Subalternative 2, p. 28

Committee clarified some language and the intent behind Alternative 3, Subalternative 2, opt. 1, subopt. 1 and established a vessel use cap that would be twice that of levels established in Alt. 3, and that overage and underage, and monitoring and enforcement provisions would be applied at the aggregate harvest level. Transferability restrictions between the CV and the C/P sector was included based on the provisions described in page 37. The committee noted additional clarification on this subalternative is required. The committee noted that this option should be combined and incorporated with the cooperative option described under p. 37.

P. 29, transferability of harvester cooperatives on use caps for the cooperative. The committee noted that the underlying restrictions applying to the QS will apply to the IFQ held by the cooperative unless those regulations are explicitly relaxed. The 10% penalty in IFQ allocation was removed since this issue is previously addressed in other alternatives. 6, #2, this was changed from a 10-20% penalty to make it more consistent with the other alternatives in this section.

P. 30, Review and Sunset was modified to show that this section only describes the duration of the cooperative.

Alternative 4, subalternative 1

The committee noted that this subalt. requires that 100% of the QS must be delivered to the cooperative.

The committee noted that language on mandatory and voluntary cooperative formation should be incorporated in Alternative 4. This would create essentially 3 coop. models, voluntary, mandatory, and would need to be incorporated as part of the closed class cooperative model. P. 28 and 29 would be incorporated into Alternative 4. Under the closed class coop model, the voluntary cooperative, delivery patterns, and the (2,3 and 5) on pages 31 and 32 would be incorporated with alternative 3, and would become the new alternative 4, subalternative 1.

The committee added an option that would allow 50-100% of the harvest could be provided to the closed class of processors.

Alternative 4, Subalternative 2

P. 31, the committee clarified that the issuance of processor licenses could be to the plant of the facility

owner since in some cases processing plants have been operated by entities other than the owner (e.g., the City of Yakutat and Sitka Sound Seafoods).

The committee noted that C/P could be included in the definition of a “closed class” processor.

P. 31, the committee added an option that would allow C/P vessels to receive deliveries from a cooperative.

P. 32, the committee looked at allocating by largest amount of species by grouping and then by species in the aggregate under suboption 3. Suboption 4 was deleted. In suboption 5, the committee deleted requirements that coops can use multiple gear types since this is not restricted under this alternative and is not necessary. The committee examined removing suboption 6

p. 33.

The committee noted that different harvesting and processing caps could apply to different sectors.

P. 34 the committee changed the range to require 100% of a coops annual IFQ to be processed in the community giving origin to the processing license associated with that coop.

Option 9 is deleted because it has already been addressed with the incorporation of previous elements.

Alternative 5

The committee made clarification that the qualification years for processors should include 2002 and made some modifications to the eligible years.

P. 35, the committee used the same qualifying years as those years under the harvester section for purposes of allocating QS.

p. 36, the committee noted that restricting sale of IPQ based solely on residency may have some legal impediments that the committee should consider. p 34 subalt. 1 is a straight two pie. p. 37, two pie with two forms of cooperative, a voluntary cooperative and then a mandatory cooperative.

The committee dropped the elderly QS provision.

The committee provided additional language on the discussion paper.

The committee recommends that the Council prepare a discussion paper to describe processes currently underway to address bycatch of salmon, crab and herring and other forage fish species (including FMP amendments and PSEIS options for crab bycatch). The paper should (1) provide timelines and how they relate to the GOA rationalization timeline; (2) describe fishery, survey, and habitat data sources that will be used. Based on the recommendations in the paper, the Council would determine if (1) existing processes are sufficient or if some measures need to be more closely linked to rationalization decisions, and (2) if other or additional management approaches are appropriate to include in a rationalized fishery in a trailing amendment.

Assessing CFQ: The committee added an option that would include SEO.,

All of the GOA, w/out SEO.

Then WYAK, CGOA, or WGOA only.

The committee discussed the option of allocating CFQ to the SEO region and decided not to include this requirement and noted that the Council will have to review the various community protection measures.